

Downpayment Plus®

Downpayment Plus® is a down payment and closing cost assistance program for low and moderate-income home buyers. It offers hope to low and moderate-income families with home ownership aspirations, who heretofore have been unable to afford down payments and closing costs. The Downpayment Plus® program has available a pool of funds that is to be used to assist low and moderate income families in meeting the down payment requirements and closing costs associated with home purchase. As a participant in this unique and innovative program, we are excited about its potential and look forward to expanding the home ownership opportunities of low and moderate-income families in our market area.

Downpayment Plus® funds are made available to us as a member lender by the Chicago Federal Home Loan Bank and we, in turn, award them to qualified home buyers.

What are the program requirements?

- Income-qualified households are eligible for grants of up to \$6,000 in down payment and closing costs assistance. Funds must be used in conjunction with the acquisition of owner-occupied one or two-family dwellings.
- To be eligible for the program, an applicant must have a total annual household income that is at or below 80% of the area median income as determined by HUD. Because income limits vary by area and household size, potential home owners should contact the mortgage loan department to see if they qualify.
- Income-eligible families who wish to purchase a home must apply for home financing and qualify for a mortgage based on our loan underwriting guidelines.
- Borrowers are required to contribute \$1,000 toward the purchase of the home.
- Borrowers are required to participate in pre-purchase home buyer education and counseling.
- Borrowers must complete homebuyer education and/or counseling. Credit scores determine the level of counseling required.
- Downpayment Plus® assistance is given in the form of a 5-year forgivable grant. If within the five year period the home is sold for a net gain or the property ceases to be the borrower's primary residence, the borrower must repay from the gain a pro-rated share of the grant. After five years the grant is completely forgiven.
- Downpayment Plus® program funds are limited and controlled by a number of program parameters. Therefore, we cannot guarantee that all qualified prospective buyers will be able to gain access to the program. Grants will be awarded to qualified applicants statewide on a first-come, first-served basis.

The Downpayment Plus® program provides an opportunity for member financial institutions of the Chicago Federal Home Loan Bank to assist in making home ownership a reality for families who otherwise might see it as only a dream. We are proud to be a part of this statewide initiative and look forward to expanding the home ownership opportunities of low and moderate-income families. Prospective borrowers interested in learning more about the program are urged to contact our mortgage loan department.